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CHINA AND THE COMMON MARKET

ANNCR:

THE INITIALING OF A TRADE AGREEMENT BETWEEN THE PEOPLES REPUBLIC OF CHINA AND THE NINE-NATION EUROPEAN ECONOMIC COMMUNITY LAST FRIDAY IN BRUSSELS IS REGARDED AS A MAJOR BREAKTHROUGH IN EAST-WEST RELATIONS. WITH DETAILS HERE IS VOA'S JULIAN GORSKI:

VOICE:

WESTERN OBSERVERS ARE QUICK TO POINT OUT SOME OF THE SIGNIFICANT ASPECTS OF THE ACCORD -- SCHEDULED TO BE SIGNED NEXT MONTH. IT IS, THEY NOTE, THE FIRST TRADE AGREEMENT BETWEEN THE COMMON MARKET AND A COMMUNIST NATION ... AN ACCORD WHICH FORMALIZES TRADE RELATIONS TAKING IN MORE THAN ONE THOUSAND MILLION PEOPLE -- OR ALMOST ONE-THIRD OF ALL MANKIND.

THERE'S TALK OF A BOOST IN TRADE. BUT THAT IS ONLY TO BE EXPECTED, SINCE THE CURRENT LEVEL OF TRADE WITH THE PEOPLES REPUBLIC INVOLVES LESS THAN ONE PERCENT OF THE EUROPEAN COMMUNITY'S OVERALL EXPORTS. WHAT IS UNUSUAL, HOWEVER, IS THE POLITICAL ASPECT OF THE DEAL. "THIS TRADE AGREEMENT," SAID SIR ROY DENMAN, LEADER OF THE EUROPEAN DELEGATION, "IS A VERY TANGIBLE SIGN OF A POLITICAL RAPPROCHEMENT BETWEEN CHINA AND THE COMMUNITY." SIX MONTHS AGO (AUGUST 1977), CHINESE COMMUNIST PARTY CHAIRMAN HUA KUO-FENG STRESSED THE IMPORTANCE OF WEST EUROPEAN-CHINESE CONTACTS. SPEAKING IN PEKING, HE REFERRED TO WESTERN EUROPE AS "THE SECOND WORLD" -- A WORLD IN BETWEEN THE SUPERPOWERS AND THE DEVELOPING NATIONS AND "THE KEYPOINT" -- AS HE PUT IT -- "TO SOVIET-AMERICAN RIVALRY."

BUT WESTERN OBSERVERS SAY THAT THE COMMON MARKET-CHINESE AGREEMENT ALSO COULD PAVE THE WAY FOR NORMAL RELATIONS BETWEEN THE SOVIET-LED COUNCIL FOR MUTUAL ECONOMIC ASSISTANCE -- KNOWN AS THE COMECON -- AND THE EUROPEAN COMMUNITY. AFTER YEARS OF NON-RECOGNITION, SOME MEMBERS OF THE EAST EUROPEAN ECONOMIC BLOC BEGAN PUTTING OUT FEELERS IN THE WEST. THEN LAST SEPTEMBER, A MEETING TOOK PLACE IN BRUSSELS BETWEEN COMMON MARKET COMMISSIONER FOR FOREIGN RELATIONS WILHELM HAFERKAMP AND COMECON COUNCIL CHAIRMAN MIHAIL MARINESCU. THE OUTCOME WAS AN AGREEMENT TO OPEN "SERIOUS" NEGOTIATIONS THIS YEAR ON COOPERATION BETWEEN THE TWO ECONOMIC BODIES.

WHETHER OR NOT THE TALKS WILL LEAD TO A RAPPROCHEMENT REMAINS TO BE SEEN. MOSCOW HAS BEEN STEADFAST IN REFUSING TO EXTEND DIPLOMATIC RECOGNITION TO THE EUROPEAN ECONOMIC COMMUNITY. BUT IT ALSO HAS MADE IT AMPLY CLEAR THAT IT WANTS TO BOOST COMMERCIAL LINKS WITH WESTERN EUROPE VIA COMECON AS AN ENTITY. ON THE OTHER HAND, AS WASHINGTON POST SPECIAL CORRESPONDENT JOHN ROBINSON REPORTS FROM BRUSSELS: "MARKET OFFICIALS, FEARING THAT DEALINGS WITH COMECON WILL MEAN A TIGHTENING OF THE SOVIET GRIP OVER EASTERN EUROPEANS," ARE CAUTIOUS ABOUT SUCH AN APPROACH.

SIR ROY DENMAN, WHILE ACKNOWLEDGING THAT THE TRADE NEGOTIATIONS ARE A MAJOR STEP IN THE NORMALIZATION OF RELATIONS BETWEEN THE EUROPEAN COMMUNITY AND CHINA, EMPHATICALLY DENIED THAT THEY ARE AIMED AGAINST ANY COUNTRY. NONETHELESS, THE SOVIET WEEKLY, "NEDELIA," HAS ACCUSED THE PEKING GOVERNMENT OF SEEKING TO PROFIT FROM ITS RELATIONSHIP WITH THE COMMON MARKET TO CREATE OPPOSITION BETWEEN WEST EUROPEAN COUNTRIES AND THE SOVIET UNION.

JS/RCS